

8160-A

3-322A024

No.

1.

Date NOV 18 1983

November 18, 1983

Fee \$ 10.00

Agatha L. Mergenovich
Secretary

Interstate Commerce Commission
Washington, D.C. 20423

ICC Washington, D. C.

RECORDATION NO. 8160-A Filed 1425

NOV 18 1983 -3 25 PM

Dear Ms. Mergenovich:

INTERSTATE COMMERCE COMMISSION

Enclosed for recordation under the provisions of Section 11303(a) of Title 49 of the U.S. Code are the original and 3 counterparts of an Amended and Restated Security Agreement-Trust Deed dated as of December 31, 1980. This Amended and Restated Security Agreement-Trust Deed is a secondary document.

The primary documents to which this is connected are:

- (a) the Security Agreement-Trust Deed recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8160,
- (b) the Railroad Car Lease Agreement recorded at 10:00 a.m. on July 29, 1975 with Recordation Number 8010
- (c) the Railroad Car Service Lease Agreement recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8161-A, and
- (d) the Railroad Car Service Lease Agreement recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8161.

A general description of the railroad cars covered by the enclosed document and intended for use related to interstate commerce is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties to the Amended and Restated Security Agreement-Trust Deed are as follows:

Debtor:

Greenville Steel Car Company
Greenville, Pennsylvania 16125

Greenville Leasing Company
Greenville, Pennsylvania 16125

Secured Party:
FEE OPERATION BR
I.C.C.

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

NOV 18 3 27 PM '83

RECEIVED

C. T. Kerner
C. M. Lupton

The undersigned is one of the debtors mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and 2 copies of the Amended and Restated Security Agreement-Trust Deed to Charles L. Rieck, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$ _____ covering the required recording fee.

A short summary of the enclosed secondary document to appear in the Index follows:

(i) amendment to Security Agreement-Trust Deed recorded on December 29, 1975 at 2:05 p.m. with Recordation No. 8160, dated as of December 31, 1980 and covering ninety-three 100-ton Triple Hopper Cars (AAR Mechanical Designation HM) and one hundred and ninety-eight 100-ton Triple Hopper Cars (AAR Mechanical Designation HT) and (ii) an assignment among Greenville Steel Car Company, Greenville Pennsylvania 16125 and Greenville Leasing Company, Greenville, Pennsylvania 16125, as debtors, and Mellon Bank, Mellon Square, Pittsburgh, Pennsylvania 15230, as secured party, dated as of December 31, 1980 and covering ninety-three 100-ton Triple Hopper Cars (AAR Mechanical Designation HM) and one hundred ninety-eight 100-ton Triple Hopper Cars (AAR Mechanical Designation HT) and connected to

- (a) the Security Agreement-Trust Deed recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8160,
- (b) the Railroad Car Lease Agreement recorded at 10:00 a.m. on July 29, 1975 with Recordation Number 8010
- (c) the Railroad Car Service Lease Agreement recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8161-A, and
- (d) the Railroad Car Service Lease Agreement recorded at 2:05 p.m. on December 29, 1975 with Recordation Number 8161.

Very truly yours,

GREENVILLE LEASING COMPANY

By

John R. [Signature]
its Vice President

DEBTOR AS AFORESAID

Enclosures

DESCRIPTION OF EQUIPMENT

DESCRIPTION: Ninety-three 100-ton triple hopper cars; AAR Mechanical Designation HM

MANUFACTURER: Greenville Steel Car Company

IDENTIFICATION MARKS AND
NUMBERS (BOTH INCLUSIVE): GSCX 11000 to 11099 excluding
GSCX 11034, 11079, 11080, 11082,
11085, 11089 and 11094

ORIGINAL LOAN VALUE PER
ITEM: \$21,000

DESCRIPTION: One hundred and ninety-eight 100-ton triple hopper cars; AAR Mechanical Designation HT

MANUFACTURER: Greenville Steel Car Company

IDENTIFICATION MARKS AND
NUMBERS (BOTH INCLUSIVE): P&S 500 to 699 excluding P&S
518 and 541

ORIGINAL LOAN VALUE PER
ITEM: \$19,500

SCHEDULE A
(to Letter of Transmittal No. 1)

Interstate Commerce Commission
Washington, D.C. 20423

11/18/83

OFFICE OF THE SECRETARY

Charles L. Rieck, Esq.
Chapman & Cutler
111 West Monroe St.
Chicago, Illinois 60603

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **11/18/83** at **3:35pm** and assigned re-
recording number(s). **8160-A, 8010-B, 8161-D, 8161-E, 8161-F**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. *8160-A* Filed 1425

NOV 18 1983 - 3 15 PM

INTERSTATE COMMERCE COMMISSION

AMENDED AND RESTATED
SECURITY AGREEMENT-TRUST DEED

Dated as of December 31, 1980

FROM

GREENVILLE STEEL CAR COMPANY

AND

GREENVILLE LEASING COMPANY

TO

MELLON BANK, N. A.,
as Trustee

Secured Party

Relating to

\$3,699,652.39 10-1/4% Secured Notes
Due 1983-1990

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AMENDED AND RESTATED SECURITY AGREEMENT-TRUST DEED dated as of December 31, 1980 from GREENVILLE STEEL CAR COMPANY, a Pennsylvania corporation, having a Post Office address at Greenville, Pennsylvania 16125 ("Greenville Steel") and GREENVILLE LEASING COMPANY, a Delaware corporation, having a Post Office address at Greenville, Pennsylvania 16125 (the "Company") to MELLON BANK, N.A., having a Post Office address at Mellon Square, Pittsburgh, Pennsylvania 15230, as Trustee (the "Security Trustee").

RECITALS:

A. Greenville Steel has heretofore executed and delivered that certain Security Agreement-Trust Deed, dated as of October 1, 1975 (the "1975 Security Agreement"), under which Greenville Steel granted the Security Trustee a security interest in certain properties and rights described hereinbelow (the "Collateral"), for the benefit and security of the notes (the "Greenville Steel Notes" or the "1975 Notes") issued under that certain Loan Agreement, dated as of October 1, 1975 (the "1975 Loan Agreement"), between Greenville Steel and Aetna Life Insurance Company (the "Lender").

B. Greenville Steel has organized the Company as a wholly-owned Subsidiary and plans to have the Company conduct certain leasing operations previously undertaken by Greenville Steel. Accordingly, Greenville Steel, the Company and the three separate Lessees under the Leases have entered into those three separate Amendments and Assignments of Railroad Car Service Lease Agreement and of Railroad Car Lease Agreement and into one Amendment and Assignment of Railroad Car Service Lease Agreement, each dated as of December 31, 1980 (collectively the "Assignment Agreements" and individually an "Assignment Agreement"), under which Greenville Steel is transferring the Collateral to the Company subject to the lien of the 1975 Security Agreement. In additional furtherance of this plan, the Lender and the Company are entering into a Consent and Exchange Agreement, dated as of December 31, 1980 (the "Consent and Exchange Agreement"), providing for the issuance of new notes (the "Notes") by the Company. The Notes will be issued thereunder in exchange for the advancement and surrender of the 1975 Notes by the Lender and for the obligation of the Lender to consent to the transfer of the Collateral to Greenville Leasing, to the end that Greenville Leasing will acquire rights in and the use of the Collateral. The Notes are to be secured by a purchase money security interest in the Collateral granted by the Company hereunder and are to be further secured by the Guaranty Agreement of Ampco-Pittsburgh and Pittsburgh Forgings Company (collectively the "Guarantors" and individually a "Guarantor"), dated as of December 31, 1980 (the "Guaranty Agreement").

C. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument for the security of the Notes have been done and performed.

In consideration of the premises and of the sum of Ten Dollars received by Greenville Steel and the Company from

the Security Trustee and other good and valuable consideration, receipt whereof is hereby acknowledged:

NOW, THEREFORE, in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all covenants and conditions in the Notes, this Agreement and the Consent and Exchange Agreement contained, (i) Greenville Steel hereby confirms, acknowledges and reaffirms its grant to the Security Trustee of a security interest under the 1975 Security Agreement in the Collateral and (ii) the Company hereby grants the Security Trustee, its successors in trust and assigns, a security interest in, all and singular of the right, title and interest of the Company in, all and singular, the following described properties, rights, interests and privileges (hereinafter collectively referred to as the "Collateral"):

DIVISION I

The Items of Equipment described in Schedule 1 attached hereto and made a part hereof, together with all accessories, equipment, parts and appurtenances whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Items of Equipment, together with all the rents, issues, income, profits and avails therefrom.

DIVISION II

All right, title, interest, claims and demands of the Company, as lessor or otherwise, in, under and to the Leases described in Schedule 2 attached hereto and made a part hereof and all rentals and other sums due and to become due thereunder, including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment; it being the intent and purpose hereof that the assignment and transfer to the Security Trustee of said Rentals and other sums due and to become due under the Leases shall be effective and operative immediately and shall continue in full force and effect and the Security Trustee shall have the right to collect and receive said Rentals for application in accordance with the provisions of Section 6.06 hereof at all times during the period from and after the date of this Security Agreement until the Indebtedness Hereby Secured has been fully paid and discharged.

DIVISION III

All property of any kind that may hereafter be conveyed by the Company, or by anyone on its behalf and with its consent,

to the Security Trustee, the Security Trustee being hereby authorized to receive any property so conveyed and to hold it as additional security hereunder, subject to all provisions hereof not inconsistent with the terms of such conveyance.

SUBJECT, HOWEVER, To Permitted Encumbrances.

The Security Trustee, its successors in trust and assigns shall have and hold the Collateral forever; IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all present and future holders of the Notes outstanding under the Consent and Exchange Agreement from and after the issuance of the Notes, without preference, priority or distinction of any Note over any other Note by reason of priority at the time of issue, sale, negotiation, date of maturity thereof or otherwise or any cause whatsoever.

PROVIDED, HOWEVER, that the security interest confirmed hereunder by Greenville Steel and the security interest granted hereunder by the Company are so confirmed and granted, respectively, upon the express condition that if the Company shall pay or cause to be paid all the Indebtedness Hereby Secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Consent and Exchange Agreement and the Notes contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise to remain in full force and effect.

SECTION 1. THE NOTES; REGISTRATION; TRANSFERS, ETC.

The Notes to be issued hereunder shall consist of a series designated "\$3,699,652.39 10-1/4% Secured Notes due 1983-1990" (the "Notes") as follows:

Section 1.01. Description of the Notes.

The Notes shall be issued in aggregate principal amount equal to the then unpaid aggregate principal amount of the Greenville Steel Notes, except for Notes issued upon transfer, exchange or substitution as provided herein. Each Note will be in the amount of \$1,000 or a multiple thereof and will bear interest on the unpaid principal balance thereof from the date of the Note at the rate of 10-1/4% per annum computed on the basis of a 360-day year consisting of 12 consecutive 30-day months. The Notes shall be payable in one installment consisting of principal and interest in the amount of \$101,239.52 payable on December 1, 1983 and 28 substantially equal installments, including both principal and interest, in the amount of \$182,349.26 each, payable on the first day of each March, June, September and December from March 1, 1984 to December 1, 1990, both inclusive (the "Payment Dates"), and shall be otherwise substantially in the form of the order Note attached hereto as Exhibit A-1.

Section 1.02. Interest Accrued.

The Notes shall be dated as of the date to which interest has been paid under the Greenville Steel Notes and shall bear interest from and including said date to but excluding the dates upon which interest is due and payable; provided, however, that, in the case of any Note issued upon transfer of or in exchange for an outstanding Note or Notes, such Note shall bear interest from, and shall be dated as of, the date to which interest has previously been paid or made available on the outstanding Notes, or, if no interest has previously been so paid or made available on the outstanding Note, such Note shall bear interest from, and shall be dated as of, the date of the Notes so transferred or exchanged.

Section 1.03. Registration, Transfer and Exchange of Notes.

(a) As provided in Section 1.03(b), the Notes issuable under this Agreement upon transfer, exchange or substitution may be either registered Notes or order Notes transferable by endorsement and delivery. The Company shall cause to be kept at the corporate trust office of the Security Trustee a register for the registration and registration of the transfer of registered Notes and, upon presentation at such office for such purpose, the Company will, under such reasonable regulations as it may prescribe, cause to be registered or transferred thereon registered Notes as herein provided. The Company hereby appoints the Security Trustee its Note Registrar to register registered Notes and to register the transfer of registered Notes as herein provided.

(b) Upon surrender of any Note at the corporate trust office of the Security Trustee, the Company, at the request of the holder thereof, will execute, and the Security Trustee in exchange therefor shall authenticate, deliver and (in the case of registered new Notes) register, at the Company's expense (except as provided below), new Notes in exchange therefor, in denominations of at least \$50,000 (except as may be necessary to reflect any principal amount not evenly divisible by \$50,000), in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall, at the option of such holder, be either an order Note or a registered Note, substantially in the form of the Notes set out in either Exhibit A-1 or Exhibit A-2, as appropriate. Each such new Note shall be dated and bear interest from the date to which interest has been paid on the surrendered Note or dated the date of the surrendered Note if no interest has been paid thereon.

Section 1.04. Payment of the Notes.

(a) The principal of, premium, if any, and interest on the Notes shall be payable at the principal corporate trust office

of the Security Trustee, in lawful money of the United States of America. Payment of principal and interest on the Notes shall be made only upon presentation of such Notes to the Security Trustee for notation thereon of the amount of such payment.

(b) Notwithstanding anything to the contrary in this Agreement or the Notes, the Company will pay all amounts payable with respect to any Notes held by each holder of registered Notes and by each institutional holder of order Notes which has given written notice to the Company (such as the written direction given on the first page of the Consent and Exchange Agreement) requesting that the provisions of this Section shall apply (without any presentment of such Notes and without any notation of such payment being made thereon) by crediting before 12:00 Noon, New York time, by Federal funds bank wire transfer, the account of such holder in any bank in the United States as may be designated in writing by such holder, or in such other manner or to such other address in the United States as may be designated in writing by such holder. The holder of any Notes to which this Section applies agrees that in the event it shall sell or transfer any such Notes (a) it will, prior to the delivery of such Notes (unless it has already done so), make a notation thereon of all principal, if any, prepaid on such Notes and will also note thereon the date to which interest has been paid on such Notes, and (b) it will promptly notify the Company and the Security Trustee of the name and address of the transferee of any Notes so transferred. If any institutional holder requests that the provisions of this Section 1.04(b) shall apply to any of its order Notes, thereafter the Company and the Security Trustee shall be entitled to presume conclusively that such requesting holder remains the holder of the order Notes in respect of which the request was made until (a) the Company and the Security Trustee shall have received notice of the transfer of such order Notes, and of the name and address of the transferee, or (b) such order Notes shall have been presented to the Company and the Security Trustee as evidence of the transfer. All payments so made shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sums so paid. The Security Trustee is authorized to act in accordance with the foregoing provisions and shall not be liable or responsible to any such holder or to the Company or to any other person for any act or omission on the part of the Company or such holder in connection therewith.

Section 1.05. Persons Deemed Owners.

The Company and the Security Trustee may treat the person in whose name any registered Note shall be registered upon the books of the Company as the absolute owner of such Note for the purpose of receiving payment of or on account of the principal of and interest on such Note and for all other purposes, whether or not such Note shall be overdue; and all such payments so made to any such registered owner or upon his order shall be valid

and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the Company nor the Security Trustee shall be affected by any notice to the contrary.

Section 1.06. Charges on Exchanges.

Any exchange or transfer of Notes shall be made at the expense of the Company, provided, however, that for any transfer of any Note the Company at its option may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge incident thereto.

Section 1.07. Execution, Authentication and Delivery of Notes.

(a) The Notes shall be executed on behalf of the Company by its President or a Vice President, under its corporate seal attested by its Secretary or an Assistant Secretary, or by such other form of execution as may be prescribed by a resolution of its Board of Directors.

(b) The Notes when executed shall be delivered to the Security Trustee for authentication; and the Security Trustee shall authenticate and deliver said Notes as in this Security Agreement provided and not otherwise. Only such Notes as shall bear thereon a certificate of authentication substantially in the form and text set forth in Exhibit A-1 or A-2, as the case may be, attached hereto, executed by the Security Trustee, shall be secured by this Security Agreement or be entitled to any lien, right or benefit hereunder; and such authentication by the Security Trustee upon any Note shall be conclusive evidence that such Note has been duly authenticated and delivered hereunder.

Section 1.08. Mutilated, Lost, Stolen and Destroyed Notes.

(a) A mutilated Note may be surrendered to the Company or the Security Trustee and thereupon the Company shall execute and the Security Trustee shall authenticate, register (in the case of a registered Note) and deliver in exchange therefor a new Note of like tenor and principal amount. The Security Trustee shall cancel the mutilated Note.

(b) If there be delivered to the Company and to the Security Trustee such security or indemnity as may be required to save each of them harmless, then in the absence of notice to the Company or the Security Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute and upon its request, the Security Trustee shall authenticate, register (in the case of a registered Note) and deliver in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount. If the holder of any such lost, stolen or destroyed Note is an institutional investor, then such holder's own agreement of indemnity shall be deemed to be satisfactory.

(c) If any such mutilated, lost, stolen or destroyed Note shall have matured or will mature not more than 10 days thereafter, instead of issuing a substitute Note, the Company, with the consent of the Security Trustee, may pay the same. Any new Note issued under this Section in lieu of any Note alleged to have been lost, stolen or destroyed shall constitute an additional original contractual obligation of the Company whether or not the Note alleged to have been lost, stolen or destroyed shall be at any time enforceable by anyone; and such new Note shall be entitled to the lien, security and benefits of this Security Agreement equally and ratably with all other Notes hereby secured. The Company and the Security Trustee, in their discretion, may place upon any such new Note a legend, but such legend shall in nowise affect the validity of such new Note. The Company may at its option require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge in connection with the issuance of any such new Note.

(d) Any Note in lieu of which another Note has been authenticated, registered (in the case of a registered Note) and delivered as permitted in Section 1.07(b) shall not be treated as an indebtedness for any purpose hereunder and the Company shall not be required to pay or provide for payment of same unless prior to satisfaction and discharge of this Security Agreement, such Note has been presented to the Security Trustee with a claim of ownership and enforceability by the person possessing such Note and the enforceability of such Note, if contested by the Company, has been determined in favor of such person by a court of competent jurisdiction.

Section 1.09. Cancellation.

All Notes when fully paid as to principal and interest shall be surrendered to the Security Trustee and promptly cancelled, and a certificate of such cancellation shall be delivered to the Company. No Notes shall be authenticated in lieu of cancelled Notes or in exchange therefor except as permitted by this Security Agreement.

SECTION 2. COVENANTS AND WARRANTIES OF THE COMPANY.

The Company covenants, warrants and agrees as follows:

Section 2.01. Duties of the Company.

The Company covenants and agrees well and truly to perform, abide by and to be governed and restricted by each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Consent and Exchange Agreement, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as

though each and all of said terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Consent and Exchange Agreement were fully set out in an amendment or supplement to this Security Agreement.

Section 2.02. Warranty of Title.

Before giving effect to the transfer of Collateral described in Recital B hereof, Greenville Steel owns and is possessed of the Collateral free of all Liens other than Permitted Encumbrances and, subject to the provisions of the 1975 Security Agreement and to the provisions hereof, has full power and lawful authority to assign, transfer, deliver and pledge the Collateral. After giving effect to the transfer, the Company will own and be possessed of the Collateral free of all Liens other than Permitted Encumbrances and, subject to the provisions hereof, will have full power and lawful authority to assign, transfer, deliver and pledge the Collateral. As long as any Notes are outstanding hereunder, the Company will not subject the Collateral to any Lien other than Permitted Encumbrances. The Company hereby does and will forever warrant and defend the title to the Collateral against the claims and demands of all persons whomsoever.

Section 2.03. Further Assurances.

The Company will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection of the security interest herein being granted in the Collateral, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest so granted in the Rentals under the Leases, the Company covenants and agrees that it will notify each Lessee in the manner and form specified by the Security Trustee of such security interest and that, subject to the right of the Company herein provided to receive and collect Rentals under the Leases if and so long as no Default or Event of Default hereunder shall have occurred and be continuing, the Company will direct each Lessee to make all payments of Rentals under the Leases directly to the Security Trustee or as the Security Trustee may direct.

Section 2.04. After-acquired Property.

Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Company or the Security Trustee, become and be subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.04 contained shall be deemed to modify or change the obligation of the Company under Section 2.03 hereof.

Section 2.05. Recordation and Filing.

The Company will cause this Security Agreement and all supplements hereto, the Leases and all supplements thereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law in order fully to preserve and protect the rights of the Security Trustee hereunder, and will at its own expense furnish to the Security Trustee, promptly after the execution and delivery of this Security Agreement and of each supplemental Agreement and after receipt of written request from the Security Trustee or the holder of any Note at any other time, an opinion of counsel stating that in the opinion of such counsel this Security Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the security interest intended to be created hereby.

Section 2.06. Modifications of the Leases.

The Company will not:

(a) declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, any Lease or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by any Lease or any part thereof (other than Permitted Encumbrances); or

(b) receive or collect or permit the receipt or collection of any Rental payment under any Lease (i) more than thirty days prior to the date the same shall be due and payable pursuant to the provisions of such Lease or (ii) at any time a Default or Event of Default hereunder shall have occurred and be continuing; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the the Security Trustee hereunder) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

Section 2.07. Power of Attorney in Respect of Each Lease.

The Company does hereby irrevocably constitute and appoint the Security Trustee, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, during the continuation of any Default or Event of Default, to ask, demand, collect, receive, receipt for, sue for,

compound and give acquittance for any and all Rental, income and other sums which are assigned under the Granting Clauses hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Company could itself do, and to endorse the name of the Company on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Company or otherwise, which the Security Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Security Trustee in and to such Rental, income and other sums and the security intended to be afforded hereby.

Section 2.08. Payment of Indebtedness.

The Company will promptly pay the Indebtedness Hereby Secured except that arising under the Guaranty Agreement, as and when the same or any part thereof becomes due (whether by lapse of time, declaration, demand or otherwise).

Section 2.09. Payment of Taxes.

The Company will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments, levies, fees and other governmental and similar charges imposed on the Collateral or any part thereof, provided that none of the foregoing need be paid or discharged while being contested in good faith by appropriate legal proceedings which (in the opinion of independent counsel of the Company in any case involving over \$25,000) will prevent the forfeiture or sale of the Collateral or any part thereof and any adverse effect upon the title of the Company thereto or use thereof so long as adequate book reserves (in the opinion of independent accountants of the Company) have been established with respect thereto.

Section 2.10. Mortgages and Liens.

The Company shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, security interest, charge, encumbrance or claim on or with respect to the Collateral, title thereto or any interest therein, except Permitted Encumbrances.

Section 2.11. Maintenance and Repair.

The Company will cause the Equipment to be kept in good working order, condition and repair, reasonable wear and tear excepted, suitable for use in interchange. Without limiting the foregoing, the Company shall cause all replacements, changes or additions to the Equipment to be made to the extent required from time to time by the rules of the Interstate Commerce Commission, United States Department of Transportation and the current Interchange Rules or supplements thereto of the

Mechanical Division, Association of American Railroads for continuing the Equipment in interchange service, and by applicable laws and regulations of any state or governmental body.

Section 2.12. Insurance.

(a) Insurance Against Loss or Damage. The Company will maintain or cause to be maintained in effect, with insurers satisfactory to the Security Trustee, insurance against risks customarily insured against by railroad companies on similar equipment. Any insurance policies carried in accordance with this Section 2.12(a) shall provide that: (i) losses, if any, shall be payable to the Security Trustee (except as provided below) under a standard mortgage loss payable clause satisfactory to the Security Trustee, (ii) the Security Trustee's interest shall be insured regardless of any breach or violation by the Company of any warranties, declarations or conditions contained in such policies, (iii) such insurance, as to the interest of the Security Trustee therein, shall not be invalidated by the use or operation of the Equipment for purposes which are not permitted by such policies, (iv) the insurers shall waive any right of subrogation of the insurers to any right of the Security Trustee and shall waive any right of the insurers to any setoff or counterclaim or other deduction, whether by attachment or otherwise in respect of any liability of the Company, (v) if any premium or installment is not paid when due, or if such insurance would lapse or be cancelled, terminated or materially changed for any reason whatsoever, the insurers will promptly notify the Security Trustee and any such lapse, cancellation, termination or change shall not be effective as to the Security Trustee for thirty days after receipt of such notice, and (vi) appropriate certification shall be made to the Security Trustee by each insurer with respect thereto. The loss, if any, under any policy covering the Equipment shall be adjusted with the insurance companies by the Company, subject to the approval of the Security Trustee if the loss exceeds \$50,000. The loss so adjusted shall be paid to the Security Trustee pursuant to said loss payable clause unless said loss is \$50,000 or less in which case said loss shall be paid directly to the Company.

(b) Insurance Against Public Liability and Property Damage. The Company will maintain and cause to be maintained in effect, with insurers satisfactory to the Security Trustee, insurance with respect to the Equipment against liability for loss or damage to the person or property of others from such risks and in such amounts as are customary for railroad companies with respect to similar equipment; provided, however, that in no event shall the insurance maintained in accordance with this paragraph be less than an aggregate of \$5,000,000 under single limit liability for each loss.

(c) Reports. The Company shall furnish the Security Trustee with certificates or other satisfactory evidence of

maintenance of the insurance required pursuant to this Section and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal not less than 30 days prior to the expiration date of the original policy or renewal policies.

Section 2.13. Duty to Number and Mark Equipment.

The Company will cause each Item of equipment to be kept numbered with the car number as set forth in Schedule 1 hereto and, in the ordinary course of maintaining and repainting each Item of Equipment, to be kept plainly, distinctly and conspicuously marked by a stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one-half inch in height as follows:

"Subject to a security interest recorded with the
Interstate Commerce Commission"

with appropriate changes thereof and additions thereto as from time to time as may be required by law in order to protect the rights of the Security Trustee hereunder. The Company will replace any such numbers, words or word which may be removed, defaced or destroyed promptly after the Company shall have knowledge of such removal, defacing or destruction. The Company shall not change, or permit to be changed, the number of any Item of Equipment at any time subject hereto (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Security Trustee and which shall be filed and recorded by the Company in like manner as this Security Agreement.

Section 2.14. Performance of Leases.

The Company will duly and punctually perform and observe each and all of its covenants, duties, warranties, obligations and undertakings arising under and in connection with each Lease and the Items of Equipment leased thereunder. If the Company shall fail to perform and discharge such covenants, duties, obligations and undertakings, the Security Trustee or the holder of any Note may, but shall not be obligated to (i) make advances to perform the same and (ii) perform any and all acts required by covenants, warranties and undertakings of the Company contained in such Lease and to take all such action as in the Security Trustee's or such Noteholder's opinion may be necessary or appropriate therefor. No such advance, performance or other act shall be deemed to relieve the Company from any Event of Default hereunder. The Company agrees to repay all sums advanced by the Security Trustee or the holder of any Note to remedy such default upon demand, together with interest at the rate of 11-1/4% per annum from the date of such advance until repaid. All such sums, together with interest as aforesaid, shall become additional

Indebtedness Hereby Secured, but no such advance shall be deemed to relieve the Company from any default hereunder.

Section 2.15. Reports; Inspection and Certificates.

(a) Reports as to Equipment. On or before April 1 in each year while any Notes are outstanding hereunder, the Company shall deliver to the Security Trustee and each Noteholder a certificate, signed by the President or any Vice President of the Company, accurately listing and identifying by road numbers the Items of Equipment at the time subject hereto, and showing in particular (i) the Items of Equipment then in actual service, (ii) the numbers and identification of all Items of Equipment that have been lost, damaged or destroyed or that have for any other reason become unserviceable and (iii) the numbers and identification of all Items of Equipment that are then undergoing repairs or are then withdrawn from use for repairs. Such certificate shall also contain a statement that the legend required by Section 2.13 hereof has been renewed upon all Items of Equipment that have been repainted or repaired since the date of the last preceding certificate or, in the case of the first such certificate, since the date of this Security Agreement. The Security Trustee and each Noteholder shall have the right, by its agents, to inspect the Equipment at any time and from time to time while any Notes are outstanding hereunder; and to assure the convenient exercise of such right, the Company shall, when so requested, inform the Security Trustee or such Noteholder of the whereabouts of the Items of Equipment or any Item as promptly as the whereabouts can be determined.

(b) Annual Certificate. The Company shall furnish to the Security Trustee and each Noteholder on or before April 1 in each year commencing with 1984, certificates signed by the President or any Vice President of the Company, dated as of the preceding December 31, (i) certifying that the Company is not in default under any provisions of this Security Agreement or specifying all such defaults and what action is being taken by the Company to remedy the same and (ii) certifying that no default under any Lease on the part of the Lessee thereunder has occurred and is continuing.

(c) Notice of Event of Default. Immediately upon becoming aware of the existence of any condition or event which constitutes a Default or an Event of Default, the Company shall provide the Security Trustee and each Noteholder a written notice specifying the nature and period of existence thereof and what action the Company is taking and proposes to take with respect thereto.

(d) Notice of Default under Leases. The Company agrees promptly to deliver to the Security Trustee and each Noteholder notice of any nonpayment of rentals when due under any Lease or the occurrence of any default or other event under

any Lease which, with the lapse of time or the giving of notice, or both, or neither, would constitute an event of default thereunder.

Section 2.16. Indemnification.

The Company does hereby assume and agree to indemnify, protect, save and keep harmless the Security Trustee, each Noteholder, its agents and servants, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind or nature arising out of or on account of the use, condition (including, without limitation, latent and other defects and whether or not discoverable) or operation of all or any part of the Equipment and by whomsoever used or operated. Such indemnity shall continue in full force and effect, notwithstanding the release of this Security Agreement.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

Section 3.01. Possession of Collateral.

(a) While the Company is not in default hereunder it shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto, provided, always that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of an Item of Equipment by the Lessee under and subject to the Lease covering such Item of Equipment shall not constitute a violation of this Section 3.01.

(b) If and so long as no Default or Event of Default shall have occurred and be continuing hereunder, the Company shall be suffered and permitted to receive and collect all Rentals as the same shall become due under each of the Leases; provided, however, that no Rentals shall be received or collected by the Company under any Lease more than 30 days prior to the date the same shall be due and payable under such Lease.

Section 3.02. Release of Property Upon Settlement.

So long as no Event of Default has occurred and is continuing to the knowledge of the Security Trustee, the Security Trustee shall execute a release in respect of any Item of Equipment in respect of which the Notes have been prepaid in accordance with Section 4.01, Section 4.02 or Section 4.03 hereof.

Section 3.03. Requisition.

Should any Item of Equipment be requisitioned or taken by any governmental authority under the power of eminent domain

or otherwise, the Security Trustee may accept any award or consideration stated in a Certificate of the Company delivered to the Security Trustee to be satisfactory to the Company, and the Security Trustee shall release the properties so taken upon being furnished with an opinion of counsel satisfactory to the Security Trustee (who may be counsel for the Company) to the effect that such property has been taken by the exercise of the power of eminent domain. In the event of any such proceedings, the Security Trustee may be represented by counsel and the Security Trustee may or may not become a party thereto as the Security Trustee in its discretion may determine. The proceeds of all Items of Equipment subject to the security interest hereof and taken by eminent domain shall be paid over to the Security Trustee, and shall be held and disbursed or applied in the same manner and upon the same terms and conditions provided in Section 4.01 hereof in respect of insurance proceeds.

Section 3.04. Release of Equipment - Consent of Noteholders.

In addition to the sale, exchange or release pursuant to the foregoing Sections 3.02 or 3.03, the Company may sell or otherwise dispose of any Item of Equipment then subject to the lien of this Security Agreement, and the Security Trustee shall release the same from the lien of this Security Agreement to the extent and on the terms and upon compliance with the conditions provided for in any written consent given thereto at any time or from time to time by the Noteholders.

Section 3.05. Protection of Purchaser.

No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Security Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the mortgaged property be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. APPLICATION OF CERTAIN MONEYS RECEIVED BY THE SECURITY TRUSTEE; PREPAYMENTS.

Section 4.01. Insurance Proceeds.

The amounts received by the Security Trustee from time to time which constitute proceeds of insurance maintained by the Company in respect of the Equipment shall be held by the Security Trustee as a part of the Collateral and shall be applied by the Security Trustee from time to time to any one or more of the following purposes:

(a) Repair or Replacement. If no Event of Default shall have occurred and be continuing to the knowledge of the

Security Trustee, the proceeds of such insurance shall, if the Items of Equipment which were lost, damaged or destroyed are to be repaired or replaced, be released to the Company, to reimburse the Company for expenditures made for such repair, restoration or replacement of such Items of Equipment upon receipt by the Security Trustee of: (i) a certificate of the President, the Treasurer or a Vice President of the Company showing in reasonable detail the purpose for which the expenditures were made and the actual cash expenditures made for such purpose and stating that no Event of Default has occurred and is continuing, and (ii) a supplement hereto sufficient, as shown by an opinion of counsel (which may be counsel for the Company) in form and content satisfactory to the Security Trustee, to grant a security interest in any additions to or substitutions for the Items of Equipment to the Security Trustee, which opinion shall also cover the filing and/or recording of such supplement so as to perfect the security interest in such additions or substitutions, or in the alternative, an opinion that no such supplement is required for such purpose; and

(b) Application to Notes. If the insurance proceeds shall not have been released to the Company pursuant to the preceding Section 4.01(a) within six months from the receipt thereof by the Security Trustee, then so long as no Event of Default shall have occurred and be continuing to the knowledge of the Security Trustee, the insurance proceeds shall be applied by the Security Trustee on the first payment date occurring not less than six months after receipt thereof as follows:

(i) First, to the prepayment of the Notes, all in the manner provided for by Section 4.02(b) hereof; and

(ii) Second, the balance, if any, of such insurance proceeds held by the Security Trustee after making the application provided for by the preceding subparagraph (i) shall be released to or upon the order of the Company.

Section 4.02. Casualty Occurrence.

(a) Notification by the Company of Casualty Occurrence. In the event that any Item of Equipment is lost, destroyed or irreparably damaged or in the event any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise (any such event being hereinafter referred to as "Casualty Occurrence"), the Company shall fully inform the Security Trustee and the Noteholders of such Casualty Occurrence.

(b) Prepayment in Respect of Casualty Occurrence. On (i) any Payment Date when the aggregate Loan Value (as defined herein or in the 1975 Security Agreement) of Items of Equipment, (as defined herein or therein) having suffered a Casualty Occurrence hereunder or thereunder more than six months prior to such

Payment Date (exclusive of Items of Equipment as so defined in respect of which settlement shall theretofore have been made pursuant to Sections 4.01, 4.02 or 4.03 hereof or thereof or a Substituted Item of Equipment shall have been provided in accordance with Section 5.01 hereof or thereof) shall exceed \$50,000, and (ii) the last Payment Date of each calendar year in respect of any Item or Items of Equipment as so defined having suffered a Casualty Occurrence hereunder or thereunder more than six months prior to such Payment Date (exclusive of Items of Equipment in respect of which settlement shall theretofore have been made pursuant to Sections 4.01, 4.02 or 4.03 hereof or thereof or a Substitute Item of Equipment shall have been provided pursuant to Section 5.01 hereof or thereof), the Company shall prepay the Notes in an amount, without premium, so that after giving effect to such prepayment and the release of such Item or Items of Equipment from the lien of this Security Agreement:

(x) the aggregate principal amount remaining unpaid on the Notes, if any, does not exceed the Loan Value of all other Equipment which then remains subject to the security interest of this Security Agreement; and

(y) each of the remaining installments of the Notes shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment.

Section 4.03. Lease Termination.

(a) Notification by the Company of Lease Termination. In the event any Lease shall be terminated with respect to any Item of Equipment, as defined herein or in the 1975 Security Agreement (any such termination being hereinafter referred to as a "Lease Termination"), the Company shall fully inform the Security Trustee and the Noteholders of such Lease Termination.

(b) Prepayment in respect of Lease Termination. The holder or holders of not less than 50% of the unpaid principal amount of the Notes shall have the privilege, upon not less than thirty days' prior written notice to the Company and the Security Trustee, of declaring the Notes to be due and payable in an amount, and the Company covenants to prepay the Notes on the first Payment Date occurring not less than thirty days after the date of such notice in an amount, for all Items of Equipment in respect of which a Lease Termination shall have occurred not less than 60 days prior to such Payment Date (exclusive of Items of Equipment in respect of which settlement shall theretofore have been made pursuant to Sections 4.01, 4.02 or 4.03 hereof or of the 1975 Security Agreement or a Substitute Lease shall have been executed and delivered in accordance with Section 5.02 hereof or thereof), without premium, so that after giving effect to such prepayment and the release of such Items of Equipment from the lien of this Security Agreement:

(i) the aggregate principal amount remaining unpaid on the Notes, if any, does not exceed the Loan Value of all other Equipment which then remains subject to the security interest of this Security Agreement; and

(ii) each of the remaining installments of the Notes shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of the Notes immediately prior to the prepayment.

Section 4.04. [Intentionally Omitted]

Section 4.05. Optional Prepayment of Notes.

(a) Subject to paragraph (b) of this Section, the Company may, on any Payment Date, upon notice as provided in Section 4.06 hereof, prepay the Notes in whole or in part in even multiples of \$50,000 at the applicable percentage set out below of the principal amount then being prepaid:

<u>If Prepayment is</u> <u>Made During the</u> <u>12-month Period</u> <u>Ending December</u> <u>1 in the Year</u>	<u>Percentage</u> <u>of Princi-</u> <u>pal Amount</u>	<u>If Prepayment is</u> <u>Made During the</u> <u>12-month Period</u> <u>Ending December</u> <u>1 in the year</u>	<u>Percentage</u> <u>of Princi-</u> <u>pal Amount</u>
1983	105.13%	1987	102.20%
1984	104.40	1988	101.47
1985	103.67	1989	100.74
1986	102.93	1990	100.00

(b) Notwithstanding the provisions of paragraph (a) of this Section, none of the Notes may be prepaid pursuant to Section 4.05(a) as a part of a refunding or anticipated refunding operation by the application, directly or indirectly, to such prepayment of funds borrowed by the Company or any Subsidiary or Affiliate of the Company having (1) an effective interest cost of less than 10-1/4% per annum, or (2) as of the date of proposed prepayment, a Weighted Average Life to Maturity less than the remaining Weighted Average Life to Maturity of the Notes.

"Weighted Average Life to Maturity" of any indebtedness for borrowed money means as at the time of the determination thereof the number of years obtained by dividing the then Remaining Dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. The term "Remaining Dollar-years" of any indebtedness for borrowed money means the amount obtained by (1) multiplying the amount of each then remaining sinking fund, serial maturity or other required repayment, including

repayment at final maturity, by the number of years (calculated at the nearest one-twelfth) which will elapse between the date of proposed prepayment and the date of that required repayment and (2) totaling all the products obtained in (1).

Section 4.06. Notice of Optional Prepayment.

The Company will give notice of any optional prepayment of the Notes to each holder of the Notes not less than thirty days nor more than sixty days before the date fixed for prepayment, specifying (a) such date, (b) the section of this Security Agreement under which the prepayment is to be made, (c) the principal amount of the holders' Notes to be prepaid on such date, and (d) the premium, if any, and accrued interest applicable to the prepayment. Such notice of prepayment shall also certify all facts which are conditions precedent to any such prepayment. Notice of prepayment having been so given, the aggregate principal amount of the Notes specified in such notice, together with the premium, if any, and accrued interest thereon shall become due and payable on the prepayment date.

Section 4.07. Partial Prepayment Pro Rata.

If there is more than one holder of the Notes, the aggregate principal amount of each required or optional partial prepayment of the Notes shall be allocated in units of \$1,000 or multiples thereof among the holders of the Notes then outstanding, with adjustments, to the extent practicable, to equalize for any prior prepayments not in such proportion.

Section 4.08. Default.

If an Event of Default has occurred and is continuing, all amounts received by the Security Trustee pursuant to the granting clauses hereof shall be applied in the manner provided for in Section 6 hereof in respect of proceeds and avails of the Collateral.

SECTION 5. SUBSTITUTION OF COLLATERAL.

Section 5.01. Substitute Item of Equipment.

The Company may provide a substitute or replacement (a "Substitute Item of Equipment") for any Item of Equipment having suffered a Casualty Occurrence in respect of which a prepayment shall not have been made pursuant to Section 4.01, 4.02 or 4.03 hereof upon delivery to the Security Trustee of

- (a) a certificate of the President, the Treasurer or a Vice President of the Company stating that no Event of Default has occurred and is continuing and stating that the value of such Substitute Item of Equipment is not less than the value of such Item of Equipment having suffered a Casualty Occurrence prior to such Casualty Occurrence; and

(b) a supplement hereto sufficient, as shown by an opinion of counsel (which may be counsel for the Company) in form and content satisfactory to the Security Trustee, to grant a security interest in such Substitute Item of Equipment to the Security Trustee, which opinion shall also cover the filing and/or recording of such supplement so as to perfect the security interest in such Item of Equipment, or in the alternative, an opinion that no such supplement is required for such purpose.

Section 5.02. Substitute Lease.

The Company may provide a substitute lease (a "Substitute Lease") covering any Item of Equipment in respect of which a Lease Termination shall have occurred but no prepayment shall have been made pursuant to Sections 4.01, 4.02 or 4.03 hereof upon delivery to the Security Trustee of

(a) such Substitute Lease accompanied by an instrument in writing executed by the holder or holders of not less than 50% of the unpaid principal amount of the Notes stating that the form and content of such Substitute Lease and the characteristics of the lessee thereunder (including but not limited to its credit standing) are satisfactory to such holder or holders of the Notes,

(b) a supplement hereto sufficient, as shown by an opinion of counsel (which may be counsel to the Company) in form and content satisfactory to the Security Trustee, to grant a security interest in and assign such Substitute Lease to the Security Trustee, which opinion shall also cover the filing and/or recording of such supplement so as to perfect the security interest hereof and of the 1975 Security Agreement in such Substitute Lease,

(c) an opinion of counsel for the lessee under such Substitute Lease, addressed to the Security Trustee, in form and substance satisfactory to the Security Trustee, and covering the matters described in Exhibit E to the 1975 Loan Agreement, and

(d) an acknowledgment, in form and substance satisfactory to the Security Trustee, signed by the lessee under such Substitute Lease of notice that such Substitute Lease has been assigned to the Security Trustee and is subject to the security interest hereof and of the 1975 Security Agreement, as so supplemented.

SECTION 6. EVENTS OF DEFAULT.

Section 6.01. Nature of Events.

An "Event of Default" shall exist if any of the following occurs and is continuing:

(a) Principal or Premium Payments - the Company fails to make any payment of principal or premium on any Note on or before the date such payment is due;

(b) Interest Payments - the Company fails to make any payment of interest on any Note on or before five days after such payment is due;

(c) Covenant Defaults - the Company fails to comply with any provision of this Security Agreement, and such failure continues for more than thirty days after the Security Trustee or the holder of any Note has given written notice of such failure to the Company;

(d) Default under Guaranty Agreement - any of the Guarantors fails to comply with any provision of the Guaranty Agreement, and such failure continues for more than thirty days after the Security Trustee or the holder of any Note has given notice of such failure to such Guarantor;

(e) Warranties or Representations - any warranty, representation or other statement by or on behalf of the Company or any of the Guarantors contained in the Consent and Exchange Agreement, the Guaranty Agreement, this Security Agreement or in any instrument furnished in compliance with or in reference to the Consent and Exchange Agreement, the Guaranty Agreement or this Security Agreement is false or misleading in any material respect;

(f) Default on Indebtedness or Other Security - the Company or any of the Guarantors fails to make any payment due on any indebtedness or other Security or any event shall occur (other than the mere passage of time) or any condition shall exist in respect of any indebtedness or other Security of the Company or any of the Guarantors, or under any agreement securing or relating to such indebtedness or other Security, the effect of which is (i) to cause (or permit any holder of such indebtedness or other Security or a Trustee to cause) such indebtedness or other Security, or a portion thereof, to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, or (ii) to permit a trustee or the holder of any Security (other than common stock of the Company or any of the Guarantors) to elect a majority of the directors on the Board of Directors of the Company or such Guarantor;

(g) Involuntary Bankruptcy Proceedings - a receiver, liquidator or trustee of the Company or any of the Guarantors, or of any of the Property of either, is appointed by court order and such order remains in effect for more than 30 days; or the Company or any of the Guarantors is adjudicated bankrupt or insolvent; or any of the Property of either is

sequestered by court order and such order remains in effect for more than 30 days; or a petition is filed against the Company or any of the Guarantors under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 30 days after such filing;

(h) Voluntary Petitions - the Company or any of the Guarantors files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(i) Assignments for Benefit of Creditors, Etc. - the Company or any of the Guarantors makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of the Company or such Guarantor, or of all or any part of the Property of either;

(j) Undischarged Final Judgments - final judgment or judgments for the payment of money aggregating in excess of \$50,000 is or are outstanding against the Company or any of the Guarantors and any one of such judgments has been outstanding for more than 30 days from the date of its entry and has not been discharged in full or stayed.

The term "Default" shall mean any event which would constitute an Event of Default if any requirement in connection therewith for the giving of notice, or the lapse of time, or the happening of any further condition, event or action has been satisfied.

Section 6.02. Security Trustee's Rights.

When any Event of Default has occurred and is continuing the Security Trustee shall have the rights, options, duties and remedies of a secured party, and the Company shall have the rights and duties of a debtor, under the Uniform Commercial Code of Michigan (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Security Trustee may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Security Trustee may, and upon the written request of the holders of 30% of the principal amount of the Notes then outstanding shall, by notice in writing to the Company declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon (but without premium), shall be and become immediately due and payable.

(b) Subject always to the then existing rights, if any, of the Lessees under the Leases, the Security Trustee personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Company, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold.

(c) Subject always to the then existing rights, if any, of the Lessees under the Leases, in the event the Security Trustee shall demand possession of the Equipment then, without limiting the provisions of paragraph (b) hereof, the Company shall forthwith deliver possession of the Equipment to the Security Trustee in good order and repair, ordinary wear excepted. For the purpose of delivering possession of any Equipment to the Security Trustee as above required, the Company shall, at its own cost and expense, forthwith:

(i) assemble such Equipment and place them upon storage tracks within 100 miles of Greenville, Pennsylvania (or such other place or places as the parties hereto shall agree in writing) as the Security Trustee shall designate;

(ii) provide storage at the risk of the Company for such Equipment on such tracks or cause the same or any thereof to be transported to any place or places on lines of a railroad within a 25-mile radius of such storage tracks on which the Equipment has been assembled, all as directed by the Security Trustee.

The assembling, delivery, storage and transporting of the Equipment as hereinabove provided are of the essence of this Security Agreement, and upon application to any court of equity having jurisdiction in the premises, the Security Trustee shall be entitled to a decree against the Company requiring specific performance of the covenants of the

Company so to assemble, deliver, store and transport the Equipment.

(d) Subject always to the then existing rights, if any, of the Lessees under the Leases, the Security Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Company once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Security Trustee may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Security Trustee or the holder or holders of Notes, or of any interest therein, may bid and become the purchaser at any such sale.

(e) The Security Trustee may proceed to protect and enforce this Security Agreement and said Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, or for the recovery of judgment for the Indebtedness Hereby Secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

(f) Subject always to the then existing rights, if any, of the Lessees under the Leases, the Security Trustee may proceed to exercise all rights, privileges and remedies of the Company under the Leases and may exercise all such rights and remedies either in the name of the Security Trustee or in the name of the Company for the use and benefit of the Security Trustee.

Section 6.03. Acceleration Clause.

In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the Interest accrued thereon, shall at once

become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

Section 6.04. Waiver by the Company.

The Company covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Company acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Security Trustee, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Section 6.05. Effect of Sale.

Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Company, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Company, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessees under the Leases).

Section 6.06. Application of Sale Proceeds.

The proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) To the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Security Trustee, or the holder or holders of the Notes and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale have been made;

(b) To the payment of the holder or holders of the Notes of the amount then owing or unpaid on the Notes for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Notes, then ratably according to the aggregate of such principal and the accrued and unpaid interest with application on each Note to be made, first, to the unpaid principal thereof, and second, to unpaid interest thereon; and

(c) To the payment of the surplus, if any, to the Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 6.07. Discontinuance of Remedies.

In case the Security Trustee shall have proceeded to enforce any right hereunder by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Company, the Security Trustee and the holders of each of the Notes shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created hereunder.

Section 6.08. Cumulative Remedies.

No delay or omission of the Security Trustee or of the holder of any Note to exercise any right or power arising from any default on the part of the Company, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Security Trustee, or the holder of any Note of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured hereunder operate to prejudice, waive

or affect the security hereof or of the 1975 Security Agreement, or any rights, powers or remedies hereunder or thereunder, nor shall the Security Trustee or holder of any of the Notes be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 7. THE SECURITY TRUSTEE.

Section 7.01. Certain Duties and Responsibilities of Security Trustee.

(a) Except during the continuance of an Event of Default:

(1) the Security Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Security Agreement, and no implied covenants or obligations shall be read into this Security Agreement against the Security Trustee; and

(2) in the absence of bad faith on its part, the Security Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Security Trustee and conforming to the requirements of this Security Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Security Trustee, the Security Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Security Agreement.

(b) In case an Event of Default has occurred and is continuing, the Security Trustee shall exercise such of the rights and powers vested in it by this Security Agreement for the benefit of the holders of the Notes, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Security Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Security Trustee shall not be liable for any error of judgment made in good faith by an officer of the Security Trustee unless it shall be proved that the Security Trustee was negligent in ascertaining the pertinent facts;

(3) the Security Trustee shall not be liable to the holder of any Note with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of two-thirds principal amount of the Notes outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustee, or exercising any trust or power conferred upon the Security Trustee under this Security Agreement; and

(d) No provision of this Security Agreement shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) Whether or not therein expressly so provided, every provision of this Security Agreement relating to the conduct or affecting the liability of or affording protection to the Security Trustee shall be subject to the provisions of this Section.

Section 7.02. Rights to Compensation and Indemnification; Lien Therefor.

(a) the Company covenants to pay to the Security Trustee such compensation for its services hereunder as shall be agreed to by the Company and the Security Trustee or, in the absence of such agreement, reasonable compensation therefor (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and to pay, or reimburse, the Security Trustee for all reasonable expenses incurred hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Security Trustee may employ in connection with the exercise and performance of its powers and duties hereunder.

(b) the Company will also indemnify and save the Security Trustee harmless against any liabilities, not arising from the Security Trustee's own default or negligence or bad faith, which it may incur in the exercise and performance of its rights, powers and trusts, duties and obligations hereunder.

(c) As security for such compensation, expenses, disbursements and indemnification, the Security Trustee shall have the benefit of the lien hereby created in priority to the indebtedness evidenced by the Notes issued hereunder.

Section 7.03. Certain Rights of Security Trustee.

(a) The Security Trustee shall not be responsible for any recitals herein or in the Consent and Exchange Agreement or

for insuring the Equipment, or for paying or discharging any tax, assessment, governmental charge or lien affecting the Collateral, or for the recording, filing or refiling of this Security Agreement, or of any supplemental or further mortgage or trust deed, nor shall the Security Trustee be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements contained herein or in the Consent and Exchange Agreement, and, except in the case of a default in the payment of the principal of, or interest or premium, if any, on any Note or a default of which the Security Trustee has actual knowledge, the Security Trustee shall be deemed to have knowledge of any default in the performance or observance of any such covenants, conditions or agreements only upon receipt of written notice thereof from the Company or from one of the holders of the Notes. The Security Trustee shall promptly notify all holders of Notes of any default of which the Security Trustee has actual knowledge. Upon receipt by the Security Trustee of such written notice from a holder of a Note, the Security Trustee shall promptly notify all other holders of Notes of such notice and the default referred to therein, by prepaid registered mail addressed to them at their addresses set forth in the Register, in the case of holders of registered Notes, and at such addresses as may be furnished to the Security Trustee by the holders, in the case of holders of order Notes.

(b) The Security Trustee makes no representation or warranty as to the validity, sufficiency or enforceability of this Security Agreement, the Notes, the Consent and Exchange Agreement or any instrument included in the Collateral, or as to the value, title, condition, fitness for use of, or otherwise with respect to, any Equipment or Item of Equipment or any substitute therefor. The Security Trustee shall not be accountable to anyone for the use or application of any of the Notes or the proceeds thereof or for the use or application of any property or the proceeds thereof which shall be released from the lien and security interest hereof in accordance with the provisions of this Security Agreement.

(c) The Security Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(d) Any request, direction or authorization by the Company or Greenville Steel shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to the Security Trustee, and signed in the name of the Company or Greenville Steel by its Chairman of the Board, President, any Vice President, Treasurer or Secretary; and any resolution of the Board of Directors of the Company or Greenville Steel shall be

sufficiently evidenced by a copy of such resolution certified by its Secretary or an Assistant Secretary to have been duly adopted and to be in full force and effect on the date of such certification, and delivered to the Security Trustee.

(e) Whenever in the administration of the trust herein provided for the Security Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate purporting to be signed by the Chairman of the Board, the President, any Vice President, the Treasurer or the Secretary of the Company and delivered to the Security Trustee, and such certificate shall be full warrant to the Security Trustee or any other person for any action taken, suffered or omitted on the faith thereof, but in its discretion the Security Trustee may accept, in lieu thereof, other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(f) The Security Trustee may consult with counsel, appraisers, engineers, accountants and other skilled persons to be selected by the Security Trustee, and the written advice of any thereof within the scope of their respective areas of expertise shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(g) The Security Trustee shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Collateral or to take any action towards the execution or enforcement of the trusts hereunder or otherwise hereunder, whether on its own motion or on the request of any other person, which in the opinion of the Security Trustee may involve loss, liability, or expense, unless the Company or one or more holders of the Notes outstanding shall offer and furnish reasonable security or indemnity against loss, liability and expense to the Security Trustee.

(h) The Security Trustee shall not be liable to the holder of any Note for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Security Agreement.

(i) The Security Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, unless requested in writing to do so by the holders of not less than a majority in principal amount of the Notes then outstanding.

(j) The Security Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Security Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care.

(k) The provisions of paragraphs (c) to (j), inclusive, of this Section 7.03 shall be subject to the provisions of Section 7.01 hereof.

Section 7.04. Showings Deemed Necessary by Security Trustee.

Notwithstanding anything elsewhere in this Security Agreement contained, the Security Trustee shall have the right, but shall not be required, to demand in respect of withdrawal of any cash, the release of any property, the subjection of any after-acquired property to the lien of this Security Agreement, or any other action whatsoever within the purview hereof, any showings, certificates, opinions, appraisals or other information by the Security Trustee deemed necessary or appropriate in addition to the matters by the terms hereof required as a condition precedent to such action.

Section 7.05. Status of Moneys Received.

All moneys received by the Security Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by the Security Trustee under such general conditions as may be prescribed by law in the Security Trustee's general banking department, and the Security Trustee shall be under no liability for interest on any moneys received by it hereunder. The Security Trustee and any affiliated corporation may become the owner of any Note secured hereby and be interested in any financial transaction with the Company or any affiliated corporation, or the Security Trustee may act as depositary or otherwise in respect to other securities of the Company or any affiliated corporation, all with the same rights which it would have if not the Security Trustee.

Section 7.06. Resignation of Security Trustee.

The Security Trustee may resign and be discharged of the trusts hereby created by mailing notice specifying the date when such resignation shall take effect to the Company and to the holders of the Notes at their addresses set forth in the Register, in the case of registered Notes, and at such addresses as may be furnished to the Security Trustee by the holders, in the case of order Notes. Such resignation shall take effect on the date specified in such notice (being not less than thirty days after the mailing of such notice) unless previously a successor secu-

rity trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor.

Section 7.07. Removal of Security Trustee.

The Security Trustee may be removed by an instrument or concurrent instruments in writing signed and acknowledged by the holders of a majority in principal amount of the Notes and delivered to the Security Trustee and to the Company.

Section 7.08. Successor Security Trustee.

Each security trustee appointed in succession of the Security Trustee named in this Security Agreement, or its successor in the trust, shall be a trust company or banking corporation having an office in the City of Pittsburgh, Pennsylvania, in good standing and having a capital and surplus aggregating at least \$50,000,000 if there be such a trust company or banking corporation qualified, able and willing to accept the trust upon reasonable or customary terms.

Section 7.09. Appointment of Successor Security Trustee.

In case at any time the Security Trustee shall resign or be removed or become incapable of acting, a successor security trustee may be appointed by the holders of a majority in aggregate principal amount of the Notes at the time outstanding, by an instrument or instruments in writing executed by such holders and filed with such successor security trustee.

Until a successor security trustee shall be so appointed by the holders of the Notes, a successor security trustee may be appointed by the Company by an instrument in writing executed by the Company and delivered to the successor security trustee, or upon application of the retiring security trustee, by any court of competent jurisdiction. Any successor security trustee appointed pursuant to this paragraph shall immediately and without further act be superseded by a successor security trustee appointed by the holders of a majority in aggregate principal amount of the Notes then outstanding.

Section 7.10. Merger or Consolidation of Security Trustee.

Any company into which the Security Trustee, or any successor to it in the trust created by this Security Agreement, may be merged or converted or with which it or any successor to it may be consolidated or any company resulting from any merger or consolidation to which the Security Trustee or any successor to it shall be a party (provided such company shall be a corporation organized under the laws of the Commonwealth of Pennsylvania or of the United States of America, having a capital and surplus of at least \$50,000,000), shall be the successor to the Security Trustee

under this Security Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Company and Greenville Steel covenant that in case of any such merger, consolidation or conversion they will, upon the request of the merged, consolidated or converted corporation, execute, acknowledge and cause to be recorded or filed suitable instruments in writing to confirm the estates, rights and interests of such corporation as security trustee under this Security Agreement.

Section 7.11. Conveyance Upon Request of Successor Security Trustee.

Should any deed, conveyance or instrument in writing from either the Company or Greenville Steel be required by any successor security trustee for more fully and certainly vesting in and confirming to such new security trustee such estates, rights, powers and duties, then upon request any and all such deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered, and shall be caused to be recorded and/or filed, by the Company or Greenville Steel, as the case may be.

Section 7.12. Acceptance of Appointment by Successor.

Any new security trustee appointed pursuant to any of the provisions hereof shall execute, acknowledge and deliver to the Company an instrument accepting such appointment; and thereupon such new security trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, right, powers and trusts of its predecessor in the rights hereunder with like effect as if originally named as security trustee herein; but nevertheless, upon the written request of the Company or of the successor security trustee, the security trustee ceasing to act shall execute and deliver an instrument transferring to such successor security trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the security trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such security trustee to the successor security trustee so appointed in its or his place.

SECTION 8. SUPPLEMENTAL INDENTURES; WAIVERS.

Section 8.01. Supplemental Indentures Without Noteholders' Consent.

The Company, Greenville Steel and the Security Trustee from time to time and at any time subject to the restrictions in this Security Agreement contained, may enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements to be observed by, and to surrender any right or power reserved to or conferred upon, the Company or Greenville Steel;

(b) to subject to the security interest of this Security Agreement additional property hereafter acquired by the Company and intended to be subjected to the security interest of this Security Agreement, and to correct and amplify the description of any property subject to the security interest of this Security Agreement;

(c) to permit the qualification of this Security Agreement under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, except that nothing herein contained shall permit or authorize the inclusion of the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939 or any corresponding provision in any similar Federal statute hereafter in effect; or

(d) for any other purpose not inconsistent with the terms of this Security Agreement, or to cure any ambiguity or cure, correct or supplement any defect or inconsistent provisions of this Security Agreement or any supplement;

and the Company and Greenville Steel covenant to perform all requirements of any such supplemental indenture. No restriction or obligation imposed upon the Company and Greenville Steel may, except as otherwise provided in this Security Agreement, be waived or modified by such supplemental indentures, or otherwise.

Section 8.02. Waivers and Consents by Noteholders; Supplemental Indentures with Noteholders' Consent.

Upon the waiver or consent of the holders of at least 70% in aggregate principal amount of the Notes (a) the Company and Greenville Steel may take any action prohibited, or omit the taking of any action required, by any of the provisions of this Security Agreement or any indenture supplemental hereto, or (b) the Company, Greenville Steel and the Security Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Security Agreement or of any indenture supplemental hereto or modifying in any manner the rights and obligations of the holders of the Notes, the Company or Greenville Steel; provided, that no such waiver or supplemental indenture shall (i) extend the time of payment (including any required prepayment) of the principal of or the interest and premium, if any, on any Note or reduce the principal amount thereof or change the rate of interest thereon, (ii) permit the creation of any lien or security interest with respect to any of the Collateral, without the consent of the holders of all the Notes at the time outstanding, (iii) effect the deprivation of the holder of any Note of the benefit of the security interest of this Security Agreement or of the 1975 Security Agreement upon all or any part of the Collateral without the consent of such holder, (iv) reduce the aforesaid

percentage of the aggregate principal amount of the Notes, the holders of which are required to consent to any such waiver or supplemental indenture pursuant to this Section, without the consent of the holders of all of the Notes at the time outstanding, or (v) modify the rights, duties or immunities of the Security Trustee, without the consent of the holders of all of the Notes at the time outstanding.

SECTION 9. INTERPRETATION OF THIS AGREEMENT.

Section 9.01. Terms Defined.

As used in this Security Agreement, the following terms have the following respective meanings:

(a) The term "Affiliate" shall mean a Person (1) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the Company, (2) which beneficially owns or holds 5% or more of any class of the Voting Stock of the Company or (3) 5% or more of the Voting Stock (or in the case of a Person which is not a corporation, 5% more of the equity interest) of which is beneficially owned or held by the Company or a Subsidiary. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(b) The term "Ampco-Pittsburgh" shall mean Ampco-Pittsburgh Corporation, a Pennsylvania corporation.

(c) The terms "Assignment Agreement" and "Assignment Agreements" are defined in Recital B hereof and are more fully described in Schedule 2 attached hereto.

(d) The term "Bank Rate" is defined in Section 1.01 hereof.

(e) The term "Casualty Occurrence" is defined in Section 4.02(a) hereof.

(f) The term "Collateral" is defined in the Granting Clause hereof.

(g) The term "Consent and Exchange Agreement" is defined in Recital B hereof.

(h) The term "Company" shall mean Greenville Leasing Company, a Delaware corporation.

(i) The term "Default" is defined in Section 6.01 hereof.

(j) The term "Equipment" or "Items of Equipment" shall mean the railroad rolling stock described in Schedule 1 hereto, together with any accessories, equipment, parts and appurtenances, whether now owned or hereafter acquired. "Item" or "Item of Equipment" shall mean any one of said Items of Equipment.

(k) The term "ERISA" shall mean the Employee Retirement Security Act of 1974, as amended from time to time.

(l) The term "Event of Default" is defined in Section 6.01 hereof.

(m) The term "Greenville Steel" shall mean Greenville Steel Car Company, a Pennsylvania corporation.

(n) The term "Greenville Steel Notes" is defined in Recital A hereof.

(o) The terms "Guarantor" and "Guarantors" are defined in Recital B hereof.

(p) The term "Guaranty Agreement" is defined in Recital B hereof.

(q) The term "Indebtedness Hereby Secured" shall mean the Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Company under the terms of the Notes, this Security Agreement or the Consent and Exchange Agreement.

(r) The leases of Railroad Equipment described in Schedule 2 hereto (as the same may be from time to time amended with the consent of the Security Trustee) are herein referred to individually as a "Lease" and collectively as the "Leases".

(s) The term "Lease Termination" is defined in Section 4.03(a) hereof.

(t) The Persons identified in Schedule 2 hereto as the lessees under the Leases are herein referred to individually as a "Lessee" and collectively as the "Lessees".

(u) The term "Liens" shall mean any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and including but not limited to the security interest lien arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term

"Lien" shall include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting Property. For the purposes of this Security Agreement, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other person for security purposes.

(v) The term "1975 Loan Agreement" is defined in Recital A hereof.

(w) The "Loan Value" of an Item of Equipment as of any date shall be the amount which bears the same relationship to the unpaid principal amount of the Notes as of such date as the Original Loan Value of such Item of Equipment, as set forth in Schedule 1 hereto, bears to \$6,000,000.

(x) The term "1975 Notes" is defined in Recital A hereof.

(y) The terms "Noteholder" and "Holder" shall mean the owner of a Note.

(a) The term "Payment Dates" is defined in Section 1.01 hereof.

(aa) The term "Permitted Encumbrances" shall mean with respect to any Item of Equipment, but only to the extent applicable to such Item, (i) the right, title and interest of the Lessee under the Lease covering such Item of Equipment, (ii) the lien of taxes not required at the time to be paid pursuant to Section 2.09 hereof and (iii) the liens of this Security Agreement and the 1975 Security Agreement.

(bb) The term "Person" shall mean an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

(cc) The term "Pittsburgh Forgings" shall mean Pittsburgh Forgings Corporation, a Delaware Corporation.

(dd) The term "Property" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

(ee) The term "Rentals" with respect to any Lease shall mean all sums due and to become due thereunder with respect to the Items of Equipment covered by said Lease.

(ff) The terms "Security" and "Securities" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

(gg) The term "Security Agreement" shall mean this Agreement. The term "1975 Security Agreement" is defined in Recital A hereof.

(hh) The term "Subsidiary" of a corporation shall mean any other corporation of which such corporation, directly or indirectly, owns more than 50% of the Voting Stock.

(ii) The terms "Substitute Item of Equipment" and "Substitute Lease" are defined in Section 5 hereof.

(jj) The term "Voting Stock" shall mean securities of any class or classes of a corporation the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

Section 9.02. Accounting Principles.

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Security Agreement, this shall be done in accordance with generally accepted accounting principles at the time in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Security Agreement.

Section 9.03. Directly or Indirectly.

Where any provision of this Security Agreement refers to action to be taken by any Person or which such Person is prohibited from taking, such provisions shall be applicable whether such action is taken directly or indirectly by such Person.

Section 9.04. Governing Law.

This Security Agreement and the Notes shall be governed by and construed in accordance with Pennsylvania law.

SECTION 10. MISCELLANEOUS.

Section 10.01. Successors and Assigns.

Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns

of such party; and all the covenants, premises and agreements in this Security Agreement contained by or on behalf of the Company, Greenville Steel or the Security Trustee, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Section 10.02. Partial Invalidity.

The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

Section 10.03. Communications.

All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, certified mail, postage prepaid, addressed as follows:

If to Greenville Steel: Greenville Steel Car Company
 Greenville, Pennsylvania 16125
 Attention: Treasurer

If to the Company: Greenville Leasing Company
 Greenville, Pennsylvania 16125
 Attention: Treasurer

If to the Guarantors: Ampco-Pittsburgh Corporation
 700 Porter Building
 Pittsburgh, Pennsylvania 15219
 Attention: E. G. Siddons,
 Senior Vice President, Finance

 Pittsburgh Forgings Company
 Post Office Box 307
 Coraopolis, Pennsylvania 15108
 Attention: Treasurer; and

If to the Security
Trustee: Mellon Bank, N.A.
 Mellon Square
 Pittsburgh, Pennsylvania 15230
 Attention: Corporate Trust
 Division

or to the Company, Greenville Steel, any of the Guarantors or the Security Trustee at such other address as the Company, Greenville Steel, any of the Guarantors or the Security Trustee, as the case may be, shall designate by notice duly given in accordance with this Section to the other party. Communications to the holder of a Note shall be deemed to have been given (unless otherwise provided

for by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, certified mail, postage prepaid, addressed to such holder at its address set forth in the Register, in the case of a registered Note, and at such address as may be furnished to the Trustee by the holder, in the case of an order Note.

Section 10.04. Release.

The Security Trustee shall release this Security Agreement and the security interest granted hereby and the security interest confirmed hereunder by proper instrument or instruments upon presentation of satisfactory evidence that all Indebtedness Hereby Secured has been fully paid or discharged.

Section 10.05. Counterparts.

This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 10.06. Headings and Table of Contents.

Any headings or captions preceding the text of the several sections hereof and the Table of Contents are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

Section 10.07. Effective Date.

This Amended and Restated Security Agreement-Trust Deed is dated as of the date designated in the initial paragraph hereof for convenience of identification and has been executed by the Company and Greenville Steel on the date shown in the acknowledgments attached hereto, but is delivered by the Company and Greenville Steel to the Security Trustee and becomes effective on the date of issuance of the Notes to the Lender.

IN WITNESS WHEREOF, the Company and Greenville Steel have caused this Amended and Restated Security Agreement-Trust Deed to be executed and the Security Trustee, in evidence of its acceptance of the trusts hereby created, has caused this Amended and Restated Security Agreement-Trust Deed to be executed on its behalf by one of its trust officers and its corporate seal to be hereunto affixed,

and said seal and this Amended and Restated Security Agreement-Trust Deed to be attested by one of its Assistant Secretaries, all as of the day and year first above written.

GREENVILLE PARTIES

GREENVILLE LEASING COMPANY

[CORPORATE SEAL]

ATTEST:

Edward N. Moore
Secretary

By

Its

John R. Young
Vice President

GREENVILLE STEEL CAR COMPANY

[CORPORATE SEAL]

ATTEST:

Edward N. Moore
Secretary

By

Its

John R. Young
Vice President

SECURITY TRUSTEE

MELLON BANK, N.A., as Trustee

[CORPORATE SEAL]

ATTEST:

[Signature]
Assistant Secretary

Trust Officer

By

[Signature]
Its Vice President

ASSISTANT

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF ALLEGHENY)

On this 18 day of November, 1983, before me personally appeared John R. Young, to me personally known, who being by me duly sworn, says that he is Vice President of GREENVILLE STEEL CAR COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rose Ann Mulhern
Notary Public

[SEAL]

My Commission Expires:

ROSE ANN MULKERN, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 18, 1985

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF ALLEGHENY)

On this 12th day of November, 1983, before me personally appeared W.M. McNamee, to me personally known, who being by me duly sworn, says that he is a Vice President of MELLON BANK, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rose Ann Mulhern
Notary Public

[SEAL]

My Commission Expires:

ROSE ANN MULKERN, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 18, 1985

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF ALLEGHENY)

On this 18 day of November, 1983, before me personally appeared John A. Young, to me personally known, who being by me duly sworn, says that he is Vice President of GREENVILLE LEASING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Rose Ann Mul Kern
Notary Public

[SEAL]

My Commission Expires:

ROSE ANN MULKERN, Notary Public
Pittsburgh, Allegheny County, Pa.
My Commission Expires Mar. 18, 1985

DESCRIPTION OF EQUIPMENT

DESCRIPTION: Ninety-three 100-ton triple hopper cars; AAR Mechanical Designation HM

MANUFACTURER: Greenville Steel Car Company

IDENTIFICATION MARKS AND
NUMBERS (BOTH INCLUSIVE): GSCX 11000 to 11099 excluding
GSCX 11034, 11079, 11080, 11082,
11085, 11089 and 11094

ORIGINAL LOAN VALUE PER
ITEM: \$21,000

DESCRIPTION: One hundred and ninety-eight 100-ton triple hopper cars; AAR Mechanical Designation HT

MANUFACTURER: Greenville Steel Car Company

IDENTIFICATION MARKS AND
NUMBERS (BOTH INCLUSIVE): P&S 500 to 699 excluding P&S
518 and 541

ORIGINAL LOAN VALUE PER
ITEM: \$19,500

SCHEDULE 1

(to Amended and Restated Security Agreement-Trust Deed)

DESCRIPTION OF LEASES

1. Railroad Car Lease Agreement dated as of July 21, 1975 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation, as Lessor, and The Pittsburgh & Shawmut Railroad Company, a Pennsylvania corporation, as Lessee, covering two hundred 100-ton triple hopper cars, Road Numbers P&S 500 to 699, both inclusive, as amended by Amendment No. 1 to Railroad Car Lease Agreement dated as of September 29, 1975 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation, and The Pittsburgh & Shawmut Railroad Company, a Pennsylvania corporation, and as amended by that Amendment and Assignment, dated as of December 31, 1980 between Greenville Leasing Company, a Delaware corporation, Greenville Steel Car Company, a Pennsylvania corporation and The Pittsburgh & Shawmut Railroad Company, a Pennsylvania corporation.
2. Railroad Car Service Lease Agreement dated as of September 2, 1975 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation, as Lessor, and Consolidation Coal Company, a Delaware corporation, as Lessee, covering thirty-six 100-ton triple hopper cars, Road Numbers GSCX 11064 to 11099, both inclusive, as amended by Amendment No. 1 dated as of March 1, 1976 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation,

SCHEDULE 2

(to Amended and Restated Security Agreement-Trust Deed)

and Consolidation Coal Company, a Delaware corporation, and as amended by that Amendment and Assignment dated as of December 31, 1980 among Greenville Leasing Company, a Delaware corporation, Greenville Steel Car Company, a Pennsylvania corporation, and Consolidation Coal Company, a Delaware corporation, said Amendment and Assignment being amended by that Amendment dated as of December 31, 1980 among said Greenville Leasing Company, said Greenville Steel Car Company and said Consolidation Coal Company.

3. Railroad Car Service Lease Agreement dated as of September 3, 1975 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation, as Lessor, and Consolidation Coal Company, a Delaware corporation, as Lessee, covering sixty-four 100-ton triple hopper cars, Road Numbers GSCX 11000 to 11063, both inclusive, as amended by that Amendment and Assignment dated as of March 1, 1976 between Greenlease Company, a division of Greenville Steel Car Company, a Pennsylvania corporation, Consolidation Coal Company, a Delaware corporation and Ontario Hydro, a body corporate continued and governed under the laws of the Province of Ontario, Canada, and as amended by that Amendment and Assignment, dated as of December 31, 1980 between Greenville Leasing Company, a Delaware corporation, and Greenville Steel Car Company, a Pennsylvania corporation, and Ontario Hydro, a body corporate continued and governed under the laws of the Province of Ontario, Canada.

GREENVILLE LEASING COMPANY

10-1/4% SECURED NOTE DUE 1983-1990

NO.

[Place of Issue]

\$

, 198_

GREENVILLE LEASING COMPANY, a Delaware corporation (the "Company"), for value received, hereby promises to pay to

or order, the principal sum of

DOLLARS (\$)

and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof from the date of this Note at the rate of 10-1/4% per annum, in installments as follows:

(i) one installment consisting of principal and interest in the amount of \$ _____, payable on December 1, 1983;

(ii) 27 installments consisting of principal and interest, each in the amount of \$ _____, payable on March 1, 1984 and on the first day of each June, September, December and March thereafter, to and including September 1, 1990; and followed by

(iii) a final installment in an amount equal to the entire unpaid principal and interest hereon, payable on December 1, 1990,

and to pay on demand interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue installment of interest, at the rate of 11-1/4% per annum.

Payments of principal, premium, if any, and interest shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts by check mailed and addressed to Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania 15230.

EXHIBIT A-1

(to Amended and Restated Security Agreement-Trust Deed)

This Note is one of an issue of Secured Notes of the Company issued in an aggregate principal amount limited to \$3,699,652.39 pursuant to the Company's Consent and Exchange Agreement with Aetna Life Insurance Company dated December 31, 1980, and is entitled to the benefits thereof and is equally and ratably with said other Notes secured by that certain Amended and Restated Security Agreement-Trust Deed dated as of December 31, 1980 (the "Security Agreement") from the Company and Greenville Steel Car Company, a Pennsylvania corporation, to Mellon Bank, N.A., as Security Trustee (the "Security Trustee").

This Note and the holder hereof are entitled, equally and ratably with the holders of all other Notes, to all of the benefits and security provided for by or referred to in the Consent and Exchange Agreement and the Security Agreement and all supplemental Security Agreements executed pursuant to the Consent and Exchange Agreement and the Security Agreement, to which instruments reference is made for a statement thereof, including a description of the collateral, the nature and extent of the security and the rights of the Security Trustee, the holder or holders of the Notes and the Company in respect thereof.

This Note is the subject of a Guaranty Agreement of Ampco-Pittsburgh Corporation and Pittsburgh Forgings Company (the "Guarantors") under and pursuant to which the payment of principal of and interest and premium, if any, on, the Notes has been fully guaranteed, jointly and severally, by the Guarantors.

As provided in the Security Agreement, this Note is subject to prepayment, in whole or in part, in certain cases without premium and in other cases with a premium as specified in the Security Agreement. The Company agrees to make required prepayments on account of said Notes in accordance with the provisions of the Security Agreement.

The Notes are issuable as either registered or unregistered Notes. This Note is unregistered and is transferable by endorsement and delivery.

Under certain circumstances, as specified in the Security Agreement, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Security Agreement.

GREENVILLE LEASING COMPANY

By _____
Its _____

This is one of the Notes referred to in the within-mentioned Security Agreement.

Dated: _____, 19__

MELLON BANK, N.A., as Security
Trustee

By _____
Authorized Officer

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND MAY BE OFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

GREENVILLE LEASING COMPANY
10-1/4% SECURED NOTE DUE 1983-1990

NO. R-

[Place of Issue]

\$

, 19__

GREENVILLE LEASING COMPANY, a Delaware corporation (the "Company"), for value received, hereby promises to pay to

or registered assigns, the principal sum of

DOLLARS (\$)

and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof from the date of this Note at the rate of 10-1/4% per annum, in installments as follows:

(i) one installment consisting of principal and interest in the amount of \$_____, payable on December 1, 1983;

(ii) 27 installments consisting of principal and interest, each in the amount of \$_____, payable on March 1, 1984 and on the first day of each June, September, December and March thereafter, to and including September 1, 1990; followed by

(iii) a final installment in an amount equal to the entire unpaid principal and interest hereon, payable on December 1, 1990,

and to pay on demand interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue installment of interest, at the rate of 11-1/4% per annum.

Payments of principal, premium, if any, and interest shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts by check mailed and addressed to Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania 15230.

This Note is one of an issue of Secured Notes of the Company issued in an aggregate principal amount limited to \$3,699,652.39 pursuant to the Company's Consent and Exchange Agreement with Aetna Life Insurance Company dated December 31, 1980, and is entitled to the benefits thereof and is equally and ratably with said other Notes secured by that certain Amended and Restated Security Agreement-Trust Deed dated as of December 31, 1980 (the "Security Agreement") from the Company and Greenville Steel Car Company, a Pennsylvania corporation, to Mellon Bank, N.A., as Security Trustee (the "Security Trustee").

This Note and the holder hereof are entitled, equally and ratably with the holders of all other Notes, to all of the benefits and security provided for by or referred to in the Consent and Exchange Agreement and the Security Agreement and all supplemental Security Agreements executed pursuant to the Consent and Exchange Agreement and the Security Agreement, to which instruments reference is made for a statement thereof, including a description of the collateral, the nature and extent of the security and the rights of the Security Trustee, the holder or holders of the Notes and the Company in respect thereof.

This Note is the subject of a Guaranty Agreement of Ampco-Pittsburgh Corporation and Pittsburgh Forgings Company (the "Guarantors") under and pursuant to which the payment of principal of and interest and premium, if any, on, the Notes has been fully guaranteed, jointly and severally, by the Guarantors.

As provided in the Security Agreement, this Note is subject to prepayment, in whole or in part, in certain cases without premium and in other cases with a premium as specified in the Security Agreement. The Company agrees to make required prepayments on account of said Notes in accordance with the provisions of the Security Agreement.

The Notes are issuable as either registered or un-registered Notes. This Note is a registered Note and is transferable only by surrender thereof at the principal office of the Security Trustee, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of this Note or his attorney duly authorized in writing. Payment of or on account of principal, premium, if any, and interest on this Note shall be made only to or upon the order in writing of the registered holder.

Under certain circumstances, as specified in the Security Agreement, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Security Agreement.

GREENVILLE LEASING COMPANY

By _____
Its _____

This is one of the Notes referred to in the within-mentioned Security Agreement.

Dated: _____, 19__

MELLON BANK, N.A., as Security
Trustee

By _____
Authorized Officer

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND MAY BE OFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.